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Empyrean Energy PLC - EME Q3 2014 Production and Operational Update
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Empyrean Energy PLC ('Empyrean' or 'the Company') Q3 2014 Production and Operational Update

Empyrean Energy, the profitable US onshore oil, gas and condensate exploration, development and production company with assets in Texas and California, is pleased to provide the following production and operations update on its flagship Sugarloaf AMI ('Sugarloaf' or the 'Project') in the prolific Eagle Ford Shale, Texas. This update is in respect of the three month period to the end of September 2014 ('Q3 2014' or the 'Quarter') and has been updated with figures taken since the end of the Quarter, where available.

Empyrean has a 3% working interest in the Project, which is operated by Marathon Oil Company, a subsidiary of US major Marathon Oil Corporation (NYSE: MRO) ('Marathon' or the 'Operator').

Highlights

- **154 gross producing wells at the end of the Quarter, an increase of 26 wells since the end of June 2014**
 - 175 gross producing wells (8 Austin Chalk) as at 18 November 2014
- **8 wells currently being drilled (4 Austin Chalk) and 22 wells undergoing completion operations (7 Austin Chalk)**
- **The first 'stack and frac' pilot programme has commenced**
 - Initiative is designed to drive recovery and optimise co-development of multiple horizons
 - Stack and frac pilot will target Austin Chalk, Upper Eagle Ford Shale and two Lower Eagle Ford Shale layers
- **Production data will be reported on receipt of complete and final Q3 2014 revenue remittance advice from the Operator**

Empyrean CEO, Tom Kelly said, "We continue to benefit significantly from Marathon's rapid and highly-efficient drilling programme. Having previously reported successful results from Marathon's Austin Chalk initiative, we are pleased to see further wells drilled and being completed from this formation, which we expect will result in the conversion of the reported 2C Contingent Resources for the Austin Chalk formation 3.87 million barrels of oil equivalent into 2P reserves in due course. With the current drilling schedule and

completions inventory and the 'stack and frac' pilot programme having now commenced, there is plenty of near-term activity and potential reserve upside available at this exciting asset and we look forward to reporting on our progress."

Operations

At the end of the Quarter, Empyrean had 154 gross wells that were producing at Sugarloaf, an increase of 26 wells since the end of June 2014. Currently, there are 8 wells being drilled (including 4 Austin Chalk wells) and a further 22 wells undergoing or awaiting completion operations (including 7 Austin Chalk wells).

The Sugarloaf AMI partners have been offered the opportunity to participate in their proportionate share of further leases acquired by the Operator. Marathon has acquired 18.55 net acres and Empyrean has elected to participate in its proportionate share (0.5565 acres) of the acquired leases. No assignment of lease documents have yet been executed or recorded and Empyrean will report further on these lease acquisitions after the assignments have been executed and recorded.

Production

In line with the Company's previous guidance, production data and associated revenues will be reported on the basis of the revenue remittance advice received rather than wellhead production data. Complete and final advice in respect of the Quarter has yet to be received from the operator and will be announced to the market in due course and as soon as reasonably practicable.

Corporate

The Company is also pleased to report that it completed its scheduled repayment of an amount totalling US\$1.5 million on its debt facility with Macquarie Bank Limited. After the payment, the resulting balance outstanding on the facility was US\$7.67 million. The Company expects that further drawdowns under the facility will be necessary for the further development of the Project.

****ENDS****

For further information please visit www.emyreanenergy.com or contact the following:

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The information contained in this announcement was completed and reviewed by the Technical Director of Empyrean Energy Plc, Mr Frank Brophy BSc (Hons) who has over 40 years experience as a petroleum geologist.

Notes to Editors:

Empyrean Energy Plc is an AIM listed (Ticker: EME) profitable US on-shore oil and gas development and production company focussed primarily on the advancement of its assets in Texas and California. The Company's portfolio represents a mix of assets at various stages of development. Its flagship project is the Sugarloaf AMI in the prolific Eagle Ford Shale, Texas, where it has a 3% working interest in approximately 24,000 gross acres centrally positioned in the liquids rich sweet-spot within the field. Empyrean has an interest in 175 gross producing wells with full development expected to reach over 770 wells. Further development of the Eagle Ford Shale anticipated to require in the order of a further 300 wells, with down spacing potential of a further 200 wells. Further development of the Austin Chalk anticipated to require in the order of a further 300 wells, with down spacing potential of a further 235 wells. The Company has term debt facility of up to US\$50

million with Macquarie Bank, subject to reserve hurdles and drawdown approvals, in place in order to develop this acreage which is operated by US major Marathon Oil Company.

Other assets include a 57.2% interest in the Eagle Oil Pool Development Project located in the San Joaquin Basin, southern California, a proven oil and gas province. Empyrean's large working interest in this project provides the Company with flexibility and leverage with potential high impact from success. Additionally, Empyrean has a 7.5% interest in the Sugarloaf Block A operated by ConocoPhillips in the Eagle Ford Shale, and a 10% working interest in the Riverbend Project in Texas currently producing from the Wilcox formation.

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